

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6755

BILL NUMBER: SB 186

NOTE PREPARED: Dec 28, 2007

BILL AMENDED:

SUBJECT: Foreclosure of Rental Properties.

FIRST AUTHOR: Sen. Lubbers

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: No Fiscal Impact

Summary of Legislation: The bill provides that in a foreclosure proceeding involving property that includes one or more residential rental units, the mortgagee shall, at the time that a judgment or decree of sale is entered in the proceeding, provide written notice of the judgment or decree to each tenant who occupies the property under a rental agreement. The bill specifies that the notice must include a statement of the tenant's: (1) right to terminate the rental agreement; and (2) obligation to pay any outstanding rent upon termination.

The bill provides that a tenant who occupies a rental unit that is subject to a foreclosure proceeding may, upon learning of a judgment or decree of sale in the proceeding, terminate the rental agreement by providing written notice to the landlord of the tenant's intention to terminate the rental agreement on a date that is: (1) specified by the tenant in the notice; and (2) at least ten days after the date of the tenant's notice. The bill provides that upon termination of a rental agreement, the tenant is liable for rent that may be due under the rental agreement, in an amount that is prorated to the effective date of the termination. The bill provides that the tenant is not liable for any other rent or damages due solely because of the early termination of the rental agreement.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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